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PUNJAB STATE ELECTRICITY REGULATORY COMMISSION

NOTIFICATION

The 12th December, 2022

No. PSERC/Secy./Reg./169.-In exercise of powers conferred by Sections 61, 66, 86(1)(e) and 181 of the Electricity Act, 2003 and all other powers enabling it in this behalf, the Punjab State Electricity Regulatory Commission hereby makes the following Regulations to specify the obligation to purchase of electricity from renewable energy sources and its compliance:

1. Short title and commencement

- (1) These Regulations shall be called the Punjab State Electricity Regulatory Commission (Renewable Purchase Obligation and its compliance) Regulations, 2022.
- (2) These Regulations shall come into force from 01.04.2023.
- (3) These Regulations shall apply throughout the State of Punjab.

2. Definitions and Interpretation

- (1) In these Regulations, unless the context otherwise requires:-
 - (a) “**Act**” means the Electricity Act, 2003;
 - (b) “**Central Agency**” means the National Load Despatch Centre or such other agency as the Central Commission may designate for the purpose of REC Regulations;
 - (c) “**Central Commission**” means the Central Electricity Regulatory Commission referred to in sub-section (1) of section 76 of the Act;
 - (d) “**Certificate**” means the renewable energy certificate (REC) issued in accordance with the REC Regulations;
 - (e) “**Commission**” means the Punjab State Electricity Regulatory Commission as referred in sub-section (1) of section 82 of the Act;
 - (f) “**MNRE**” means the Ministry of New and Renewable Energy;
 - (g) “**Obligated Entity**” means the entities mandated, under clause (e) of sub-section (1) of section 86 of the Act, to fulfill the Renewable Purchase Obligation, which includes distribution licensee, open access consumer and captive user;

Explanation: For the purpose of these Regulations;

The ‘captive user’ refers to any person who owns a grid-connected Captive Generating Plant based on conventional fuel with installed capacity of 1 MW and above, or such other capacity as may be specified by the Commission from time to time, and consumes electricity generated from such Plant for his own use;

And, the “open access consumer” refers to any person having a contract demand of 1 MW and above, or such other capacity as may be specified by the Commission from time to time, and who consumes electricity procured from conventional fuel based generation through open access.

- (h) **“Power Exchange”** means that power exchange which operates with the approval of the Central Commission;
- (i) **“Renewable Energy Source”** means renewable energy sources approved by MNRE such as solar, wind, biomass/bagasse, municipal solid waste and other such sources;
- (j) **“REC Regulations”** means the Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022;
- (k) **“Renewable Purchase Obligation (RPO)”** means the requirement specified by the Commission under clause (e) of sub-section (1) of section 86 of the Act, for the obligated entity to purchase electricity from renewable energy sources;
- (l) **“RPO Manual”** means the manual issued by the State Agency for the purpose of information and guidance of obligated entities in respect of RPO compliance;
- (m) **“State Agency”** means the agency as referred to in Regulation 5 of these regulations;
- (n) **“Year”** means a financial year.
- (2) Words and expressions used in these Regulations and not defined herein shall have the same meanings as assigned to them in the Act, Rules and the other Regulations framed by the Commission.
- (3) Any reference to the Act, Rules and Regulations shall include amendments or consolidation or re-enactment thereof.

3. Renewable Purchase Obligation (RPO)

- (1) **RPO Targets:** Every obligated entity shall meet at least a part of its consumption of electricity from renewable energy (RE) sources as specified below:

Table-1

Financial Year	RPO
2023-24	27%
2024-25	30%
2025-26	33%
2026-27	36%
2027-28	39%
2028-29	41%
2029-30	43%

- (2) RPO may be met by energy produced from any RE power project. Provided that:
 - (a) RPO shall be calculated in energy terms as a percentage of total consumption of electricity by

an obligated entity.

- (b) Hydro power imported from outside India shall not be considered for meeting the RPO.
 - (c) The energy including free power being provided to the State (not that contributed for Local Area Development) from all HPPs (Hydro Power Projects including Pump Storage Projects and Small Hydro Projects) will be considered for fulfillment of RPO.
 - (d) The Solar/wind energy alongwith/through storage will also be considered for fulfillment of RPO.
 - (e) The renewable energy purchased through bundled power shall qualify for RPO compliance to the extent of renewable energy content in the same.
 - (f) The renewable energy generated from co-firing of biomass in thermal power plants/captive generating plants shall be considered as per the methodology specified by the Central Commission.
 - (g) The renewable energy generated by non-obligated entities under the Gross-Metering, Net-Billing and Net-Metering arrangement shall qualify towards compliance of RPO of the distribution licensee of the area.
- (3) The RPO for captive users of Captive Generation Plants (CGPs) commissioned before 01.04.2016 shall be at the level specified by the Commission for FY 2015-16 and for those commissioned from 01.04.2016 onwards shall be as specified by the Commission for the year of commissioning. In case of any augmentation, in its capacity, the RPO for the augmented capacity shall be as applicable for the year of the augmentation.
- (4) The Commission, either on its own motion or on recommendation of the State Agency or on receipt of an application from the obligated entity, may review/revise the percentage targets specified hereinabove, for any year, as deemed appropriate.

4. Compliance/Fulfilment of RPO

- (1) An Obligated entity may consume renewable energy as per its requirement/RPOs by one or more of the following methods specified in the Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022:
- (a) Own/Captive Generation;
 - (b) Through Open Access;
 - (c) By requisition from distribution licensee, which shall procure such quantity of renewable energy and supply it at the tariff, determined separately by the Commission, which shall comprise of the average pooled power purchase cost of the renewable energy, cross-subsidy charges if any, and service charges covering the prudent cost of the distribution licensee for providing the energy. Provided that:
 - (i) The consumer shall have flexibility to give separate requisition for solar and non-solar;
 - (ii) Any requisition from a distribution licensee shall be for a minimum period of one year;
 - (iii) The quantum shall be pre-specified for at least one year;
 - (iv) The energy purchased from distribution licensee or from RE sources other than distribution licensee in excess of RPO of obligated entity shall be counted towards RPO compliance of the distribution licensee;
Provided that, the credit for surplus, if any, accruing in RPO compliance of the distribution licensee shall be carried over to the next year.
 - (v) The distribution licensee shall give green certificate on yearly basis to the consumers for the renewable energy supplied by the licensee to consumer on his request beyond the

RPO of the consumers;

- (vi) The State Agency may introduce the concept of rating of the consumers of distribution licensee, based on the percent of renewable energy purchased by such consumers.
- (d) By purchasing green hydrogen or green ammonia. The quantum of such green hydrogen or green ammonia would be computed by considering the equivalence to the green hydrogen or green ammonia produced from one MWh of electricity from the RE sources, as per the norms notified by the Central Commission;
- (e) By purchasing of certificates in accordance with the applicable regulations;
- (f) Any other sources, as may be, determined by the Central Government.

(2) Data Reporting by the Obligated Entities

Every obligated entity shall submit the details of its consumption of electricity and the compliance towards fulfillment of its RPO on quarterly/annual basis to the State Agency, as per the schedule and in the manner prescribed by the State Agency from time to time. For any delay in submission of the requisite data to the State Agency, the defaulting obligated entity shall be required to deposit a late fee of Rs. 1000/- per day of delay, in a separate fund to be created and maintained by the State Agency under Regulation 6.

5. State Agency

- (1) The Punjab Energy Development Agency (PEDA) shall be the State Agency for accreditation of eligible entities for grant of Certificates under the REC Regulations and to undertake functions under these regulations.

Provided that the Commission may designate any other agency to function as State Agency as it considers appropriate.

- (2) The State Agency shall function in accordance with the directions issued by the Commission, from time to time.
- (3) The State Agency shall devise an appropriate protocol, in consultation with the SLDC/STU and/or any other agency including the distribution licensee, for collection and verification of information from various sources such as RE Generating Companies, Obligated Entities, SLDC or any other agency to compute, reconcile and monitor RPO compliance by the Obligated Entities and shall:
 - (a) Publish quarterly statements on a cumulative basis along with an annual statement of RPO compliance by different Obligated Entities on its website;
 - (b) Serve notices to the defaulting obligated entities, under intimation to the SLDC/STU/ distribution licensee :
 - (i) For not submitting the requisite data and consequent Late Fee mandated under Regulation 4 (2) above;
 - (ii) For shortfall in fulfillment of the mandated RPO compliance and non- deposit of the consequent amount determinable in accordance with Regulation 6(1) below.
 - (c) Submit quarterly reports and an annual report comprising data and analysis thereof for compliance of the targets for purchase from renewables to the Commission by 30th April of the following year. The State Agency may also suggest appropriate action to the Commission if required for compliance of the renewable purchase obligation.
- (4) The State Commission may from time to time stipulate the fees and charges payable by the obligated entities to the State Agency for discharge of its functions under these regulations.

6. Effect of default

- (1) An obligated entity failing to fulfill its renewable purchase obligation (RPO) during any year shall be liable to deposit an amount, within 90 days of closure of the year, equivalent to the product of shortfall in RPO compliance and the maximum clearance price of the Certificates discovered in the Power Exchange during the said year, into a separate account to be created and maintained by the State Agency.

Any delay in deposit shall attract delayed payment charge at the marginal cost of funds based on lending rate (MCLR) for one year of the State Bank of India, as applicable on the 1st April of the year in which the period lies, plus five per cent and in the absence of marginal cost of funds based lending rate, any other arrangement that substitutes it.

Provided that the amounts payable by the distribution licensee, if any, shall not be allowed as a pass through in the ARR.

- (2) Non-payment of Late fee/Amount by an obligated entity as per the provisions of these Regulations shall be treated as a violation of its license/connectivity conditions.

Provided that, on receipt of information about the default by an obligated entity from the State Agency, the SLDC/STU and/or distribution licensee, as the case may be, shall proceed to initiate action for violation of its conditions of license or connectivity conditions, which includes but not limited to withdrawal of NOC/permission for open access and/or disconnection etc. after following the procedure as per law.

- (3) Without prejudice to the above, the Commission on its own motion or on the recommendation of the State Agency may also initiate action against such entity under Section 142 of the Act.

Provided that, any penalty payable under these Regulations and/or Section 142 of the Act, if not paid, may be recovered as per Section 170 of the Act.

- (4) All sums received by the State Agency shall be transferred to the State transmission utility (STU), on quarterly basis, to be utilized for development of transmission infrastructure for evacuation/integration of renewable energy as approved by the Commission, from time to time.

Provided that, the Commission may allow utilization of a part of such fund by the State Agency for development of renewable energy in the State.

- (5) In case of genuine difficulty in complying with the renewable purchase obligation because of non-availability of certificates or otherwise, the obligated entity can approach the Commission for carrying forward of compliance requirement to the next year. On being so approached, the Commission may review the fulfillment of the renewable purchase obligation by the obligated entity. And, keeping in view its performance, may allow the shortfall to be carried forward to the next year in addition to the renewable purchase obligation for that year.

Provided that where the Commission has consented to allow carry forward of compliance requirement, the provision of above clauses (1) to (3) of these Regulation shall not be invoked.

7. Repeal and savings

The Punjab State Electricity Regulatory Commission (Renewable Purchase Obligation and its compliance) Regulations, 2011 along with amendments shall stand repealed from the date of commencement of these Regulations. Notwithstanding such repeal, anything done or purported to have been done under the repealed Regulations shall deemed to have been done or purported to have been done under these Regulations.

8. Saving of inherent power of the Commission

- (1) Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent powers of the

Commission to make such orders as may be necessary for ends of justice or to prevent the abuse of process envisaged in these Regulations.

- (2) Nothing in these Regulations shall bar the Commission from adopting a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient.

9. Power to give directions

The Commission may, from time to time, issue such practice directions and orders as considered appropriate for the implementation of these Regulations.

10. Power to remove difficulties

If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may, by general or special order, do anything, not inconsistent with the provisions of the Act, which it considers necessary or expedient for the purpose of removing the difficulties.

11. Power to Amend

The Commission may, at any time, add or amend any of the provision of these Regulations.

12. Power to Relax

The Commission may by general or special order, for reasons to be recorded in writing and after giving an opportunity of hearing to the parties likely to be affected, may relax any of the provisions of these Regulations on its own motion or on an application made before it by interested person(s).